



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Ms. Barbara S. Taylor, Director
Office of Environmental Health
West Virginia Department of Health and
Human Resources
Capitol and Washington Streets
1 Davis Square, Suite 200
Charleston, West Virginia 25301-1798

Dear Ms. Taylor:

Enclosed is the U.S. Environmental Protection Agency Region III (EPA) review of the West Virginia drinking water program through the Mid-Year 2011. This review covers the Public Water System Supervision Program (PWSS), Drinking Water State Revolving Fund (DWSRF) set-aside funded activities, Water Protection Coordination (Security) and Operator Certification Expense Reimbursement Grant (ERG) federally funded assistance agreements. The DWSRF infrastructure project loan program and financial management systems are evaluated in a separate Program Evaluation Report.

The enclosure consists of a comprehensive report and the Mid-Year 2011 Program Guidance/Reporting Checklist and evaluation tool (without attachments). This review incorporates information from the semi-annual progress reports submitted by the West Virginia Environmental Engineering Division (EED), the on-site Program Review on February 17, 2009, telephone and email follow-up, and communication within EPA covering the activities from Mid-Year 2008 through Mid-Year 2011.

EPA would like to recognize several successes of the West Virginia drinking water program in this review period. Most notably that the West Virginia Department of Health and Human Resources's (WVDHHR) drinking water program is close to being fully staffed. A fully staffed program is a fundamental goal that demonstrates your commitment to the program in these challenging times. WVDHHR also obtained primacy for Long Term 2 Enhanced Surface Water Treatment Rule and the Stage 2 Disinfectant Byproduct Rule (LT2/ST2). However EPA does have concerns with the surplus funds of the DWSRF Set-Aside and slow drawdown of ERG grant funds although West Virginia has taken steps to address these concerns. This is discussed more fully in the report. In addition to our the shared responsibility placed on responding to acute health contaminants at all public water systems EPA will focus FY 2011 program activities on the continuation of emergency preparedness, new rule development and adoption, continuation and improvement of operator certification programs and continued improvement of data quality in

SDWIS. EPA is committed to working with you on these activities to achieve these goals. If you have any questions regarding the enclosed review, please do not hesitate to call me at (215)

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814-5757 or have your staff contact Wanda F. Johnson at (215) 814-3249.

In FY 2005, EPA began measuring environmental results of grant-funded program activities. In light of this, our national goals are provided in the FY 2010/2011 PWSS Program Guidance. To the extent that DWSRF funds are used to achieve these state and national programmatic goals, the expected project activities must also be included in the DWSRF set-aside work plans. Another tool for your use is the PWSS Program key performance indicators included in previous program guidance. We are committed to continuing our efforts to gather this information from SDWIS, but also encourage the states to perform their own frequent program evaluations. At the conclusion of FFY 2010, EPA Region III is not aware of any staffing level issues of WV DHHR affecting drinking water performance with the possible exception of compliance determinations of some rules.

If you have any questions regarding the enclosed report, please do not hesitate to call me at (215) 814-5757 or have your staff contact Wanda F. Johnson at (215) 814-3249.

Sincerely,

Victoria P. Binetti, Associate Director
Office of Drinking Water & Source Water
Protection (3WP30)

Enclosures

bcc (without encls.):

W. Johnson (3WP21)
A. Meadows (3WP21)
M. Brewster (3WP50)
J. Pine (3WP30)
M. Conicelli (3WP22)

Is anyone missing from this list?

**Review of the
West Virginia Department of Health and Human Resources
Bureau of Public Health
Office of Environmental Health Services
Environmental Engineering Division
Federally Funded Drinking Water Activities**

Introduction

This review covers the activities conducted under Public Water System Supervision Program (PWSS), Drinking Water State Revolving Fund (DWSRF) set-aside funded activities, Water Protection Coordination (Security) and Operator Certification Expense Reimbursement Grant (ERG) federally funded assistance agreements. The report is presented in two parts: 1) a discussion of the EED strengths and those areas where the EPA has concerns, as well as any recommendations, and 2) a detailed checklist that provides the mid-year status on each commitment/activity for the EED. WVDHHR is invited to submit an addendum to this report if it deems that such an addendum is necessary to clarify or counter EPA's findings.

Purpose of Review

The purpose of this review is to highlight program strengths, areas of progress, and significant accomplishments as well as indicate areas of concern regarding WVDHHR's performance. Where an "Action Item" is identified, EPA will require a response no later than one month after receipt of this report unless specified otherwise. This review is also intended to:

- 1) ensure that the commitments contained in the work plan/application under the grant awards are being performed on schedule,
- 2) ensure that all programmatic terms and conditions are met,
- 3) assess available funding to ensure commitment/activity completion,
- 4) ensure all programmatic, statutory and regulatory requirements are met, and
- 5) ensure equipment purchased under the award is accounted for and properly managed.

Method of Review

This is a review of submitted progress reports from WVDHHR. This review incorporates findings from the program review (formerly on-site Data Verification) of July 7-10, 2008. Consultation included conversations with EPA's Drinking Water Branch, the Office of Standards, Assessments and Information Management, the Office of Infrastructure and Assistance and the Office of Analytical Services and Quality Assurance staff and additional telephone conversations and email follow-up between EPA and WVDHHR.

Contents of this Report

- PWSS Program Activities
- Drinking Water State Revolving Fund (DWSRF) Set-Aside Funded Activities
- Operator Certification Program
- Expense Reimbursement Grant (ERG)
- Water Protection Coordination (Security) Grant
- Conclusion, Action Items and Reminders

Public Water System Supervision (PWSS) Program

Financial Summary

EPA approved and awarded the full amount of WVDHHR's State Fiscal Year (SFY)'08 PWSS grant in the amount of \$814,400. The final Financial Status Report (FSR) was submitted September 26, 2008.

EPA approved and awarded WVDHHR's SFY 2009 PWSS grant in the amount of \$846,909. The final grant award approved includes the remaining balance (\$241,509) of a surplus of funds from previous years that the EPA was able to deobligate and recertify for use by WVDHHR and 75% of the tentative '09 allotment (\$605,400). Actual '09 allotment was \$793,500. However, because of the recertification of the surplus, EPA was still able to fund the original amount requested and approved. WV DHHR submitted the final FSR for SFY 2009 to EPA on September 25, 2009. EPA approved and awarded WVDHHR's SFY'10 PWSS grant in the amount of \$793,500. Last award was made July 19, 2010. WV DHHR submitted the final FSR for SFY 2010 to EPA on October 5, 2010. A surplus of \$132,258.04 has been deobligated and recertified for use by the state.

EPA approved WVDHHR's SFY'11 PWSS grant in the amount of \$829,550. Partial awards were made (July 14, 2010, October 26, 2010 and February 8, 2011) to reflect 91% of the SFY'11 grant funds approved. Timing of EPA's award for remaining balance (\$71K) is contingent upon passing of federal budget. Total surplus EPA has deobligated and recertified for use by the State is \$301,225.71 which will supplement possible budget cuts of federal state allotments for SFY '11.

Future Funding

In light of previous federal budget rescissions and the potential for future federal budget cuts, EPA advises WVDHHR to monitor spending closely. When projecting budgets for future PWSS grants, the state should continue to plan appropriately and utilize funds efficiently. Each year, EPA works closely with WVDHHR to ensure that grant funds can be provided as early as possible for state use. EPA is working closely with the EED to ensure timely submission of semi-annual progress reports and future grant applications.

Personnel/Staffing

At the conclusion of Federal Fiscal Year (FFY) 2009, EPA Region III is not aware of any staffing level issues of WV DHHR affecting drinking water performance with the possible exception of compliance determinations of some rules.

Reporting Reminder

WVDHHR is reminded to continue reporting on staffing levels especially where vacancies affect work plan activities (e.g., compliance, conducting training and sanitary surveys). This should be a separate narrative or included in progress reports consisting of: 1) a written summary of the status on filling each vacancy (i.e., reviewing applications, interviewing, etc.) and desired time frame for filling positions; 2) a current organization chart to show stability of staffing levels; and 3) a list showing the funding source for all FTEs (filled and vacant), with positions associated to funding source (i.e., PWSS, DWSRF set-aside grant funds, state funds, etc.).

New Regulation Development

Highlight

WVDHHR's primacy revision request for the Long Term 2 Enhanced Surface Water Treatment Rule and Stage 2 Disinfectant Byproduct Rule (LT2/ST2) was tentatively approved by EPA on June 5, 2008. No comments were received during the public comment period. The state's revised rule became final on July 17, 2008.

WVDHHR's primacy revision request for the Lead and Copper Rule Short Term Revisions and Ground Water Rule was tentatively approved by EPA on June 24, 2010. No comments were received during the public comment period. The state's revised rules became final on July 24, 2010.

Groundwater Under the Direct Influence (GUDI) Determinations

GUDI determinations continue to be a priority for the state. WVDHHR's GUDI status of new systems activated or testing new wells after 2004 are; six (6) CWS, twelve (12) NTNCs and thirty-six (36) TNCs. The recent upsurge in the coal industry activity is the primary factor for the increase in request for NTNC systems.

Recommendation

EPA recommends that WVDHHR conduct GUDI determinations on new water sources prior to these systems going on-line.

Reporting Reminder

Continue to provide status of GUDI determinations for all new sources that became active after January 1, 2004. This information can be provided in the semi-annual progress reports or in a separate report as done previously.

Capacity Development

West Virginia's FY 2010 inventory consists of 1,060 public water systems including: 492 CWSs, 123 NTNCWSs, and 445 TNCWSs serving about 1.6 million people. The number of active water systems in West Virginia continues to decrease due to consolidation and to acquisition by larger water systems.

WVDHHR continues to successfully implement its Capacity Development Program (CDP) although they had a staff turnover.

New Systems

WVDHHR maintains a list that tracks the compliance status of new systems that started operation during the period October 1, 2007 through September 30, 2010.

Seven out of the eight systems that started operation within the last three year (three started last year) are still active. Three systems had at least a violation during the reporting period but all are disputing the violations. The State is working with the systems to return to compliance.

The new systems permitting process is discouraging small, new water systems and encouraging proposed systems to connect to or to become part of existing, larger, more viable water systems. Through this process, new systems commonly begin to understand how complex running a water system is and partner with or connect to an existing, more viable system when possible. This is effective in preventing formation of non-viable PWSs.

Existing Systems

Since its initial baseline conducted in 2002, WVDHHR has provided an update every three (3) years to help evaluate the CDP. The most recent update was in 2008. Next assessment will be conducted in 2011. The data which are used to measure improvement in system capacity showed that existing system's assessment activities were having a positive impact on water systems. The re-assessment shows that most water systems are addressing some portion of the recommendations provided.

The 2008 re-evaluation shows a significant difference in the service populations of failing systems and viable systems. Over the past six years, as larger, more viable systems have assumed responsibility for smaller failing systems, the average service population of viable systems has increased, while the average service population of failing systems has decreased. The 2008 data show viable systems' average service population is seven times greater than the failing systems and four times greater than marginal systems. This data supports the consolidation of failing and marginal systems where feasible. An adequate service population is important to achieving and maintaining water system viability.

WVDHHR continues to provide assistance to water systems by conducting Capacity Development Assessments (CDA) - a complete evaluation of their technical, managerial, and financial (TMF) capabilities and needs. WV DHHR provides recommendations to address those needs which will lead to long term viability. The CDP continues to focus on making the reports more "reader friendly" and helpful to the water systems.

In FY2006, WV started shifting resources within its program to provide more pro-active water system assistance and having one staff person focused completely on assessment follow-up and assistance. In FY2010, WV started providing more pro-active follow-up assistance and adopted a follow-up timeframes of: 30, 60, 90, 180, and 360 days to monitor system compliance with recommendations identified in the Capacity Development Assessments (CDA) provided. WV is

intended to have its entire staff involved in follow-ups to provide more effective assistance to water systems and to minimize, as much as possible, disruptions in assistance caused by personnel changes. During FY2010, 23 water systems were assessed (57 systems were assessed over the last three years). Some assessments included multiple water systems having separate PWSID numbers, although, they were counted as one CDA.

Additional assistance provided by WVDHHR to water systems through field staff and the Capacity Development Team include a variety of activities related to the Area Wide Optimization Program, the Consumer Confidence Report, asset management, emergency response plans, Disinfection Byproduct Rule, etc.

Highlights

As part of the more pro-active assistance approach initiated over the last two fiscal years, WVDHHR began contacting long-term Historic SNCs. These efforts have been coordinated with the enforcement personnel and are typically initiated following their issuance of an Administrative Order (AO).

WVDHHR has continued with its Capacity Assistance Partnership Developing Essential Viability (CAPDEV) outreach initiative. The CAPDEV outreach initiative was created to provide TMF assistance to drinking water systems staff. CAPDEV is the second phase of the CDP; the first phase is the CDA. Through CAPDEV, West Virginia is encouraging water system cooperation, personnel and/or equipment sharing agreements, and full or partial consolidation.

In FY2010, WV designated one employee to take the lead in providing Asset Management Assistance (including CUPSS) and guidance to water systems. Assistance/guidance was provided to approximately 16 systems in establishing an Asset Management Program. This effort was facilitated by newly enacted DWTRF bond requirements which require an Asset Management Program be established within six (6) months of substantial completion. The CDP continues to actively market the importance of establishing an Asset Management Program and provided presentations at three different seminars during this FFY on Asset Management. The CDP will continue to advocate Asset Management and will allocate additional resources towards this endeavor, as needed.

In addition to direct contact while conducting CDAs and follow-up assistance activities, CDP staff provides phone assistance and advice. A sample period during the past fiscal year showed CDP staff averages 150 phone assistance contacts per month, equaling approximately 1,800 phone assistance contacts during FY2009.

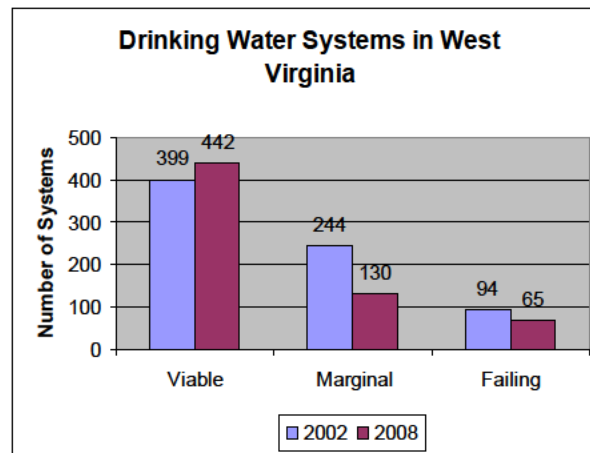
Third party assistance providers assist water systems through on-site, hands-on assistance; workshops; seminars and training sessions; and self-help guidance documents.

Over the last two years a number of assessments were conducted for projects seeking funding via the American Recovery and Reinvestment Act (ARRA) as well as the Base Program. \$48,010,171 of DWRT and ARRA were awarded to water systems, \$28,738,427 were to disadvantaged systems.

The CDP progress is continuously being evaluated using a list of parameters. During the last re-assessment, the following were noticed:

- An increase in the number of viable systems from 399 systems in 2002 to 442 in 2008,

- A decrease in the number of failing systems from 94 systems in 2002 to 65 in 2008, and
- The number of marginal systems has decreased from 244 systems in 2002 to 130 systems in 2008.



WVDHHR submitted to their Governor a report on the efficacy of the Capacity Development Program and progress made toward improving the TMF capacity of public water systems in West Virginia. The report was submitted by the due date (September 30, 2009) and was made available to the public. An article on the CDP's achievements was published.

WVDHHR developed partnership with other Drinking Water Education and Training Coalition members (WV Rural Water Association, WV Rural Community Assistance Program, National Drinking Water Clearing House, Public Service Commission of WV, WV chapter of the American Water Works Association, and WV Environmental Training Center) and developed a comprehensive annual training calendar. Approximately 3,400 calendars were printed and distributed to water operators, board members, system managers, and others concerned with operator certification and training. The calendar is used to keep water system personnel informed of important drinking water education and training opportunities. Instead of reviewing multiple calendars for training options, the new consolidated calendar will allow operators to review training options from a single source.

In FY2010, CDP staff continued to work with the National Environmental Services Center (NESC) in developing, with CDP oversight and review, two important water system assistance tools/programs using sub-recipient grant funds. These tools/programs are:

- West Virginia Water System Utility Management Institute Training (WVWSUMIT): The WVWSUMIT components were completed by NESC in August 2010 and will be used by technical assistance providers to train utility managers employed by West Virginia water systems. The six WVWSUMIT training classes NESC created were modeled after the Kentucky Rural Water Association (KYRWA) UMI program but modified and tailored to meet the specific needs of West Virginia's water systems, and updated to address new regulations and contemporary management issues.
- West Virginia Water System Evaluation Tool (WVWSET): WVWSET is designed to assess a water system's technical, managerial, and financial capabilities to operate effectively and efficiently and meet the requirements of the Safe Drinking Water Act (SDWA). This tool will be modeled after the New England Environmental Finance Center's. Once completed, end-users of the tool will have a better understanding of the challenges affecting sustainable practices and can begin to address deficiencies. This tool will provide instant feedback to the participants and also will provide a list of resources for additional information on specific

topics as well as a detailed list of Assistance Providers. The tool may be used by water systems, West Virginia BPH staff, and other water system technical assistance providers. Furthermore, RCAP participated in NESC's WVWSET pilot testing at several systems and provided NESC advice and feedback to help improve WVWSET.

The CDP is also in the process of drafting a Request for Quote (RFQ) so that a vendor can be obtained to provide on-site assistance to systems in order to enhance the benefits of the program and provide more system specific assistance.

Source Water Assessment & Protection Programs

Over the past year, West Virginia Department of Health and Human Resources (WV DHHR) has been able to significantly increase the number of source water protection activities implemented in the state. This increase is partly due to the creation of Source Water Protection Technical Help Program (SWPTHP), where consulting engineering firms work with state drinking water systems to emphasize the development of protective strategies and to create a source water protection plan. West Virginia has also been able to assist many surface water and ground water community public water systems through source water protection grants. Grants providing source water security are among the most popular in the state. WV DHHR has also continued to build upon existing and new partnerships and inter-agency alliances in order to strengthen its drinking water and source water protection program.

Highlights

- WV DHHR's SWPTHP program has gained momentum and has assisted forty three (43) community public water systems with the development of protection plans.
- The City of Vienna, WV was awarded the EPA Region III 2010 Source Water Protection Award.
- WV DHHR's Source Water Team actively participated in meetings with the River Alert Information Network (RAIN), encouraging interstate collaboration.
- Participated in ORSANCO and Potomac River Basin Drinking Water Source Protection Partnership meetings and activities.
- Provided source water protection signage to public water system's municipalities and non-highway areas.
- In 2009, WVDHHR implemented a secure website that provides information essential source water protection information such as wellhead and source water delineated areas, location of public water supply wells and potential contaminant sources. This secure website is available to WVDHHR staff, water utilities, state emergency management and federal agencies.
- The Source Water Assessment and Protection (SWAP) Program evaluates new PWS water wells or intakes to assure they are located in areas where contamination threats are minimal. Permits for new public water wells now require an initial survey for potential sources of contamination within 2,000 feet of proposed well location with site-specific information used when available.
- An expression of interest (EOI) contract for implementing wellhead and source water protection activities for community water supplies was awarded to two vendors for work in WVDHHR District Offices in St. Albans, Wheeling, Beckley and Kearneysville areas.
- WVDHHR signed a contract with the U.S. Geological Survey (USGS), West Virginia Department of Environmental Protection (WV DEP) and West Virginia Geological Survey to study the hydrologic flow in abandoned coal mines in McDowell County.
- WVDHHR continues to support the WV DEP Project WET (Water Education for Teachers) by loaning groundwater models out for public education which includes a summer water workshop for educators and youth ages 5-18.

Action Items

- The state needs to continue working towards the national 2011 goal which states that 50% of CWS and associated population should be protected through substantial implementation of source water protection strategies.
- EPA would like to be kept informed of Source Water Protection Technical Help Program (SWPTHP) contract work progress.

Data Management/Data Analysis

WVDHHR continues to submit quarterly updates and cooperate to alleviate data problems.

With the change to the new Enforcement Targetting Tool (ETT) in July 2010, the criteria for becoming a priority system has changed. There is a new scoring systems and systems that scores above 10 are considered a national priority. The last SNC report was FY10Q1. Another change was the naming convention, after FY10Q1, the ETT started calling the quarterly reports by month and year. Here are the #'s.

	FY10Q1	July 2010 ETT	October 2010 ETT	January 2011 ETT
# of PWS	118	144	135	126
# of Viols.	Unavail	3796	3989	6636

Region 3 made a commitment, for all states, to EPA HQ to address the SNCs from the July 2010 SDWIS data pull. The Region Commitment was to address 500 systems and WV's commitment was to address 160 out of the 500. The last SDWIS data pull from January 2011 shows that WV addressed 70 systems, which is approximately 44% addressed.

During the week of July 7, 2008, EPA assisted in an on-site data verification at WVDHHR's Central Office in Charleston, WV. The state files were very well organized and the support from the state personnel was excellent. A draft report was shared with WVDHHR in October 2008. EPA and WVDHHR discussed details of the report and combined comments were incorporated into the final report that was received by EPA Region III in December 2008 and shared with the state.

Concern

One major concern is implementation for Stage 1 DBPR and LT1 ESWTR which were noted in the report as not being fully implemented by the state. Discrepancies noted for these two rules are for compliance determinations for monitoring and reporting. The state attributes its problems in compliance determinations to a lack of staff and failure to inform compliance officers that they could utilize SDWIS State web release 1.0 (SSWR1) to compute compliance determinations. The compliance determination tool had not been working correctly in SDWIS/State. Since the state did not have the manpower to manually do calculations to determine compliance, violations were not issued.

Action Plan

To address this concern, EPA is providing an in-kind service contract via DWSRF 10% SetAside to provide various training and develop SOPs (standard operating procedures) for WVDHHR staff on SDWIS-State and NPDWR. The contract will assist WVDHHR with addressing discrepancies from the 2008 on-site data review as well as developing a strategy to fully implementing both rules.

Action Item

The work assignment was approved April 2011. EPA will schedule kick-off meeting with WVDHHR and ^{Confidential Business Info} contractor in near future.

Annual Compliance Reports

WVDHHR submitted its Annual Compliance Report (ACR) for 2009 in October 2010. This report provides much more detail than in the past (i.e., graphs for each rule showing violation trends over the past seven (7) years). This detail information will help identify program focus areas.

Laboratory Certification

EPA issued its Annual Certification Status Report of WVDHHR's Drinking Water Laboratory Certification Program on December 22, 2009 for the 2010 calendar year. The state laboratory retains certification for analytical methods of inorganic contaminants (except Asbestos, Cyanide and Thallium), lead and copper contaminants and microbiological techniques. EPA has requested that WVDHHR provide proof of SDWA certification coverage for these parameters.

EPA's Environmental Science Center (ESC) recently updated the listing of key analytical capabilities for primacy based on the Code of Federal Regulations (CFR) with input from the EPA Office of Ground Water and Drinking Water in Cincinnati and the Region 3 Water Protection Division. This listing is in the Lab Certification Manual as an appendix (Appendix E). The revised listing was shared with the Primary State Laboratory (PSL) Directors and with the State SDWA Program Managers.

Highlight

WVDHHR identified a need for its PSL to be certified to test for Disinfection Byproducts. The state had not had the equipment to test for these contaminants previously. However, EPA agrees with the state that it would be beneficial to have the PSL capable of providing certified results especially if a water system lab is having difficulties or unexplained results that could affect water quality. EPA approved the state's request for \$500,000 which will be taken from the 15% Set-aside to purchase the equipment. The state lab will provide the normal maintenance and expense to operate the lab equipment.

Quality Management Plan (QMP)

WVDHHR's Drinking Water Program QMP is valid until December 2015.

Operator Certification Program

Program Review

On **September 30**, 2010 EPA approved the implementation of WVDHHR's Operator Certification Program. Each year a determination is made as to whether the state's program meets EPA guidance. This determination influences the decision to withhold 20% of the state's Drinking Water State Revolving Fund capitalization grant.

Highlights

WVDHHR solicited the assistance of a review committee to conduct an external review on the implementation of their Program. The external review is a requirement of the Operator Certification Guidelines and must be performed by an entity outside of the state program agency. This can be a contractor/consultant, board or committee of stakeholders, etc. A final report was submitted to EPA. Some noteworthy findings of the committee are:

- WVDHHR was commended for the thoroughness of its exam validation process. Utilizing stakeholders to improve this area strengthens the program.
- Recommendation was made to limit the grace period for expired certifications from 1 year to 30 or 60 days. The liability of a water utility employing operators with expired licenses should be considered as well as the issue of promoting professionalism.
- The state's database was commended for its capacity to obtain pertinent information regarding the certified operators in the state.
- The mailing list for the Drips & Drops Newsletter should include the legally responsible authority of each water utility, not just the operator. This would help improve communication to council and public service district (PSD) board members.

In September 2010, EPA HQ hosted a National Conference with the Operator Certification and Capacity Development Programs. This was the first combined program conference. States participated in the planning process to ensure the interests of both programs were incorporated. WVDHHR program staff was among the many stakeholders in attendance. The primary goal of the workshop was to encourage program integration providing a forum to discuss its importance and practical application.

The EPA/State Eastern Regional Operator Certification Program Workshop held in Region 1 in 2009 was a major success! Nineteen (19) states were in attendance including WV with guest speakers from the water industry as well as state program and EPA. As states struggle to find travel dollars each year to attend workshops such as this in addition to other program related training, WVDHHR has allowed its staff to attend this particular workshop each year. This reflects the state's commitment to improving the implementation of this Program.

Planning has begun for the next EPA/State Eastern Regional Operator Certification Program Workshop, hosted by Region 5.

EPA requests that states provide as a "minimum" more quantitative information that allows for an evaluation of progress, for example: reports addressing activities from the previous reporting period; notes from stake holder meetings and other events; action items and outcomes; and quantitative data such as –

1. # of public water systems and/or % of systems in compliance with having a certified operator;
2. passing rate of examinations;
3. compliance rate for continuing education and certification renewal (i.e., are operators meeting requirements on time, what's the percentage or number of operators who allow their licenses to lapse);
4. discussion of issues, (i.e., reasons for non-compliance and plans to address those issues);
5. types of training/exercises provided (provide # of operators taking advantage of training made available or total # of hours of training provided and;
6. technical assistance to prepare operators for security threats like pandemic flu and new rules.

Details of the minimal content for reporting will be provided in the Reporting Reminder letter to the states in May.

Schedule Reminder

Annual Operator Certification Report is due June 30, 2011.

Drinking Water State Revolving Fund (DWSRF) Set-aside Funded Activities

DWSRF Set-aside Funded Activity Financial Summary

Since 1998 to date, EPA has awarded \$121,064,324 in Federal funds with \$89,493,991 allocated to the project fund, \$3,981,536 for administration of the fund and \$27,588,797 to support set-aside activities. This includes the two most recent grant awards of \$21,269,000 on July 29, 2010. WVDHHR changed its grant cycle to run from April 1st to March 31st. In accordance with this, the state submitted two partial FY'10 SRF applications (January 2010 for \$8,146,000 and April 2010 for \$13,573,000) of which a total of \$4,907,014 is being applied to SRF Set-aside activities. Twenty-seven (27) FTEs are funded by the SRF Set-aside funds. In addition, twelve and one half (12.5) FTEs are funded by state appropriations in accordance with the state match requirement for the 10% set-asides. According to EPA's Financial Data Warehouse, all prior grants up through FY'06 have been closed.

Per the DWSRF Work Plan Supplemental Guidance, in order for WVDHHR to apply for set-asides in the FY'11 SRF application, the maximum allowable carryover for FYs '07-10 should reflect 150% of the average of the past four year's set-aside awards or a total balance of \$3,898,427. Per Table A, the total balance of set-aside funds remaining is \$4,950,961. This exceeds the maximum allowable carryover by 26% or \$1,052,533. However, the carryover is down by 31% or \$1,762,909 from 2009. This reduction is an indication that drawdown rates are improving.

Table A

Set-aside Funded Expenditures for Open Grants - FY '07-10

WEST VIRGINIA SET-ASIDE UTILIZATION FOR ALL GRANTS Cumulative as of April 2011				
	Technical Assistance 2%	Program Management 10%	Local Assistance 15%	Total
CUMULATIVE AWARDED	\$926,466	\$3,345,990	\$6,123,349	\$10,395,805
EXPENDED	\$545,374	\$1,859,602	\$3,039,868	\$5,444,844
% EXPENDED	58%	55%	49%	52%
REMAINING BALANCE	\$381,092	\$1,486,388	\$3,083,481	\$4,950,961

EPA is aware that these numbers do not reflect recent payroll and fringe benefit allocations that have not been processed yet nor do they reflect the encumbered funds for work plan activities.

Concern

The state's inability to spend down set-aside funds in a timely manner has been a major concern. However, work plan activities are now moving forward. With the help of the stimulus funds, WVDHHR has been able to obtain contractor support (TetraTech) to assist with the processing of applications for projects. In doing so, program staff have been able to focus more on getting set-aside contracts in place. This in turn, allows set-aside activities to move forward which is reflected in the drawdown of funds. Contracts now approved or underway since last reporting period include contracts for the following activities: survey tool under the CDA Program; SWP grants; water distribution and chief operator training and developing curricula for the utility management institute. To assist the state further in expending surplus funds, EPA provided a contractor (in-kind service) to conduct AWOP Performance Base Training which occurred early 2009. Total surplus expended was approximately \$134K.

EPA's Drinking Water Branch and Office of Infrastructure and Assistance staff had a pre-award meeting to discuss the status of DWSRF set-asides as a result of the on-site DWSRF review conducted in June 2009. Spreadsheets developed by the state were discussed which provided detail allocation of the redirected 10% and 15% set-asides. These are funds remaining from previous grant awards that have been redirected to activities of the 2007 supplemental work plan. Now that more contracts are in place, the drawdown of surplus funds are increasing and the state remains optimistic that this will continue to improve. EPA will continue to monitor closely and follow up with the state periodically regarding the status of surplus funds.

Reminder

The state should be spending oldest monies first and is encouraged to maintain a maximum allowable carryover of 150% for prior year funding in accordance with the DWSRF Work Plan Supplemental Guidance.

Wellhead Protection Program - 15% Local Assistance

The WV Wellhead Protection Program (WHPP), approved by EPA in 1992, is a key implementation program for source water protection.

Highlights

- WVDHHR issued three (3) WHPP grants totaling approximately \$35.4K.
- WVDHHR continues to support the WV DEP Project WET (Water Education for Teachers) by loaning groundwater models out for public education that includes a summer water workshop for educators and youth ages 5-18.

WVDHHR continues to partially fund the DEP Class V UIC program and maintain the SWAP website. The DEP UIC Class V program inspected 110 sites with 41 sites having underground injection systems with a combined total of 54 wells. The website contains fact sheets, new SWAP posters, general information and an online SWAP education course, entitled "A Guide to Developing a Source Water Protection Plan."

Capacity Development Assessments - 15% Local Assistance

WVDHHR continues to provide assistance to water systems by conducting Capacity Development Assessments (CDA) - a complete evaluation of their technical, managerial, and

financial (TMF) capabilities and needs. WV DHHR provides recommendations to address those needs which will lead to long term viability. The CDP continues to focus on making the reports more “reader friendly” and helpful to the water systems.

During FY 2009, 19 water systems were assessed (47 systems were assessed over the last three years). Some assessments included multiple water systems having separate PWSID numbers, although, they were counted as one CDA.

Additional assistance provided by WVDHHR to water systems through field staff and the Capacity Development Team include a variety of activities related to the Area Wide Optimization Program, the Consumer Confidence Report, asset management, emergency response plans, Disinfection Byproduct Rule, etc.

Program Management - 10%

Operator Certification

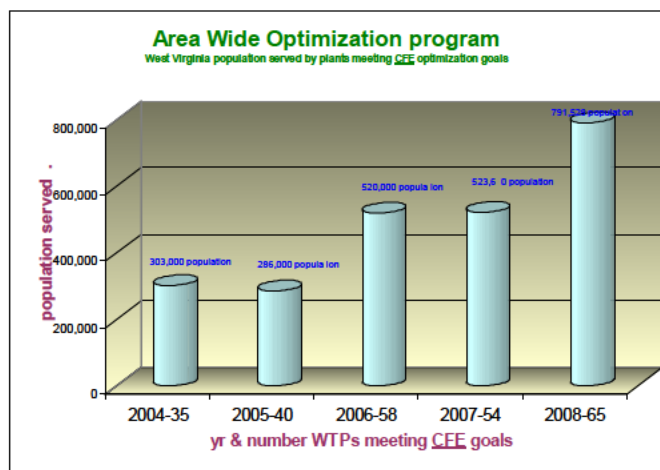
WVDHHR continues to work with the Drinking Water Exam Review Committee to develop and issue relevant operator certification exams. A total of 601 operators were issued certificates of certification for initial license and license renewals. Forty-four courses for continuing education credit were reviewed and approved. Now underway is the new Water Distribution (WD) and Chief Operator (CO) Training Program – 86 operator received WD training and 113 received CO training.

Sanitary Surveys

States are required to conduct sanitary surveys at all surface or ground water under the direct influence of surface water (Subpart H) community water systems once every three years starting December 2004. WVDHHR schedules sanitary surveys in 3-year intervals from the date of the last survey completed. Surveys are tracked on a monthly basis to identify surveys to be completed throughout the year. For this reporting period the state completed 143 sanitary surveys for Subpart H systems and project an additional 178 to be completed by mid-year 2011.

Area Wide Optimization Program (AWOP)

EPA Region 3 commends WVDHHR for being an active participant in the Region’s AWOP program. In WV approximately 1.2 million people are served by surface water public water systems and the improvements to public health protection since 2004 are reflected in the chart below. The chart indicates a continued increase in both the number of surface water plants that meet the combined filter effluent (CFE) AWOP goal of 0.10 NTU and the population served by these systems.



West Virginia hosted a Region 3 Area Wide Optimization Program (AWOP) Meeting at Cacapon State Park. Drinking water staff from all R3 states except for Delaware were in attendance including EPA's Technical Support Center. A meeting was held to discuss progress of their optimization programs.

Highlight

EPA has been working with WVDHHR on spending down the surplus of funds identified in its 10% and 15% Set-asides. A major road-block for the state has been securing contracts in a timely fashion. EPA began working with the state in late 2008 to provide an in-kind service contract to expedite the utilization of the surplus funds in the 10% Set-aside. WVDHHR participated in the Region 3 AWOP Pilot Performance Based Training (PBT), and determined that implementing PBT in WV would be beneficial to the drinking water program and its surface water systems. WVDHHR staff continue with PBT efforts, working with various public water systems across the state. PBT is a training program which teaches plant operators leadership skills and problem solving techniques to assist them in optimizing their plant's performance.

Other program management activities include:

- maintaining the Safe Water Operator Certification System (SWOCS) database;
- reviewing continuing education hour (CEH) courses;
- training to surface water system operators to optimize treatment plant performance;
- distributing *Drips and Drops* quarterly newsletter;
- distributing semi-annual training calendar;
- maintaining capacity development web page;
- maintaining CD library for class facilitator when an instructor is unable to attend training;
- assisting the American Water Works Association (AWWA) in acknowledging operator achievements through the review and selection of candidates and presentation of the Perkins Boyton Award; and
- being an active member of the Infrastructure and Jobs Development Council (IJDC) and chair of the IJDC Technical Review Committee.

Technical Assistance - 2%

Through contract with the WV Rural Water Association (WVRWA), WVDHHR provided 20 days total of continuing education and certification training through the Hours for Education and Learning Program (H.E.L.P.). In addition to training WVRWA maintains an exam database to track relevant information on operators as well as an e-library used as a resource tool for operators. They have also developed manual and study guides to assist in training needs of the operator.

Operator Certification Expense Reimbursement Grant (ERG)

Financial Summary

On September 30, 2003, EPA awarded WVDHHR's Expense Reimbursement Grant (ERG) totaling \$1,437,900 in support of continuing education for and certification of operators at small community and non-transient non-community water systems. EPA received an interim Financial Status Report (FSR) on March 5, 2009. Since then, the state has expended an additional \$105,429. Although the current spending rate is slow, the state is optimistic about its plan to expend 88% of the grant or \$1,268,199 by the end of the project period. The remaining balance will be rolled over to the DWSRF.

Grant Expenditures - as of April 2011

Funds Awarded	Funds Expended	Percent Expended
\$1,437,900	\$641,696.36	44%

Program Review

On August 11, 2009, EPA conducted a conference call with WVDHHR that included discussion on the lack of progress on program activities and consideration of rolling over funds under the DWSRF grant. The major challenge has been the state's process in procuring contracts although WVDHHR has reassured EPA that its staff has improved its working relationship with the state budget department for a smoother process to secure contracts in a timely manner. Other factors have included contracts coming in under budget and items for which the state opted to use state funds vs. grant dollars (e.g., furniture purchases for training workstations and revision of a training database.). Taking this into consideration as well as the need for trained operators, EPA agreed to extend the grant project period to December 31, 2011. The grant extension was awarded January 5, 2010. Since then, WVDHHR has secured contracts for three (3) essential activities – 1) to conduct additional e-training; 2) complete procurement of a mobile trailer to conduct training; 3) conduct additional backflow training.

Reporting Reminder

EPA reminds the state to provide detailed information on outputs, outcomes and future plans in the progress report.

Schedule Reminder

- Prepare and submit a progress activity report covering January 1, 2011 - June 30, 2011 that reflects financial status and time schedule for expending grant funds by the end of the project period. This report is due August 15, 2011.

Water Protection Coordination Grant (Security)

Financial Summary

The original grant in the amount of \$407,300 has been closed out. The final FSR was received April 2009. The remaining balance (\$43,769.62) was recertified and included in the 2010 grant application for a total of \$243,769 awarded in August 2010. The grant budget period ends December 2012.

Grant Funding and Expenditures - as of April 2011

Funds Awarded	Funds Expended	Percent Expended
\$243,769	\$90,273	60%

Program Review

Coordination activities continue for critical water infrastructure protection efforts. This includes: participating in conferences and sponsoring workshops, assisting public water systems with emergency preparedness, maintaining database of emergency contacts, conduct security/preparedness training; assess backup power generators of public water systems and obtain additional threat preparedness training for WVDHHR staff.

Highlight

The West Virginia Water and Wastewater Agency Response Network (WV WARN) became active with the signing of mutual aid agreements by the first three utilities. The WV WARN joins over 35 other states nationwide and is only the second WARN to become active in the Mid-Atlantic Region. EPA recognizes the efforts undertaken by WVDHHR to meet with utilities and other interested groups in working toward the development of the WV WARN.

WVDHHR participated in the WVRWA Conference with a security/emergency response exhibit. Response from attendees was favorable. Particular interest in the “Caution H1N1” graphic sparked a lot of discussion about pandemic influenza from operators. The soap bars promoting hand sanitation that WVDHHR displayed went quickly. The pocket spray hand sanitizer given out by another exhibitor was also a popular item. EPA suggests utilizing grant funds to have this item for future exhibits.



Reporting Reminder

EPA reminds the state to provide detailed information on outputs, outcomes and future plans in the progress reports due February 15th and August 15th of each year that this grant is open.

Conclusions, Action Items and Reminders

Overall, WVDHHR is implementing their program effectively. For additional information please refer to Attachment 1, WVDHHR Reporting Checklist, which details the EED program activities for mid-year 2011. The following is a consolidated list of recommendations and a few reminders on upcoming reporting deadlines. Page numbers provide locations in the report for more details.

Action Items

- Continue working towards the national 2011 goal of 50% of CWS and associated population protected through substantial implementation of source water protection strategies.
- Keep EPA informed of development of secure website for providing well location and SWP area information.
- Keep EPA informed of final approval of SWP/THP contracts and work progress.
- Submit semi-annual progress activity report for the Security Grant.

Reporting Reminders

- Progress Report to include:
 1. Detailed narrative on “progress” of all grant activities (PWSS, DWSRF Set-aside, ERG) – due February 15, 2012.
 2. Written summary of status on filling each vacancy (i.e., reviewing applications, interviewing, etc.) and desired time frame for filling positions.
 3. Current organization chart to show stability of staffing levels.
 4. The funding source associated to each FTE (filled and vacant).
 5. GUDI (all systems post 01/01/04) summary broken out by system type (CWS, NTNC and TNC) showing the number and percentage of systems testing, evaluated, unresponsive, etc.

WVDHHR is reminded that states must include discussion of progress toward meeting outputs and outcomes in the annual progress report, including explanations as to why outputs or outcomes were not achieved and actions planned to address this.

Schedule Reminders

- Annual Operator Certification Report - June 30, 2011.